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M E M O R A N D U M

TO: All Retirement Boards

FROM: Robert F. Stalnaker, Executive Director

RE: Financial Planning Information

DATE: November 25, 1998

I want to introduce you to a new Internet site sponsored by the non-profit National Council on Teacher Retirement (NCTR). The web page, called NCTR's LIFEPLAN, can be found at <http://www.nctr.org/lifeplan/start/start.htm>

LIFEPLAN stands for Learning and Investing For an Energetic and Productive Life while Accumulating a Nest egg. This free, user-friendly and informative site provides a variety of easy-to-use financial planning tools for all public employees. The information presented there is unbiased, comprehensive and valuable.

I strongly urge you to visit this site and to introduce your membership to it. Your members need to plan for their retirement long before they approach you to calculate their retirement allowance and counsel them on option selections. Having a good pension plan doesn't exempt them from having to develop a solid and consistent long-term investment strategy. Planning well at thirty can mean living well at seventy-five.

Financial planners suggest that workers will need approximately 80% of their pre-retirement income to meet their post-retirement needs. Your members need to learn whether they are saving enough to meet that level. They need to consider whether they should be saving more for their retirement through supplemental tax-sheltered annuity plans such as 403(b) and 457 plans approved by the Internal Revenue Service.

A retirement calculator is included on the NCTR LIFEPLAN site. Risk vs. reward strategies, and asset allocation theories are discussed in the investment section, as are instructions in how to read stock market and mutual fund tables. Topics as diverse as establishing credit, paying for college, buying a home, caring for aging parents, and estate planning, are also covered. Prudent

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financial decision making over the course of a working lifetime will greatly enhance the security and comfort of retirement years – which may last at least a couple of decades.

PERAC will be adding a link to LIFEPLAN on PERAC's Home Page. NCTR is providing all of us with a terrific resource. You, in turn, will be providing a much-needed service by introducing your members to it.